

4-9140

MEMORANDUM FOR: Assistant Director for Operations

SUBJECT : Fiscal Year Carry-Over of Obligations

REFERENCE : Memo fr AD/O to DD/A dtd 23 Oct 53, same subject

1. Funds of a previous fiscal year may currently be used to pay for items for which a procurement action was initiated in the prior fiscal year only if the obligation was legally incurred in the prior fiscal year. Funds for planned procurements which did not materialize into positive obligations cannot be carried over for use in subsequent fiscal years, but must revert to the Treasury.

2. In the case of the [REDACTED] machine described in your memorandum, the exhibit entitled "Notice of Obligation Incurred," dated 4 May 1953, officially and legally incurs the obligation as of that date, and funds covering the milling machine are, therefore, chargeable to Fiscal Year 1953.

STATINTL

3. With respect to the [REDACTED] procurements, it is understood that the over-all obligation of \$35,000, which was established in Fiscal Year 1953, covered the estimated cost of an established quantity of items. The fiscal year funds to be charged, as acquisitions occur, will be determined, as in the case of the milling machine, by documentation establishing the fiscal year in which the funds were legally obligated.

STATINTL

4. As stated in your memorandum, a study is being made by the Comptroller and the General Counsel on the subject of the obligation of Agency funds. Pending further notice on this matter, the above procedure will be followed in interpreting the applicable fiscal year of any specific obligation.

15/

L. K. WHITE
Acting Deputy Director
(Administration)

HC:co(27 Nov 53)
Rewritten:SA/DD/A:RDHH:sh(3 Dec 53)
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